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6/24/98

**MEMORANDUM FOR:** Legislative Counsel  
Office of General Counsel

**SUBJECT :** S. 3937 - Unclaimed Personal Property Act

1. The subject Bill has been reviewed by this Office.
2. Under the provisions of Section 4(a) the Comptroller General would be authorized to examine records of the Agency relating to disbursement of confidential funds, a privilege not heretofore granted. Such records would disclose the practice of holding personal property of agents for periods of several years, the crediting of salary to agents during terms of assignment and/or imprisonment in foreign countries in attempting to serve the Agency, as well as other practices of a confidential nature. In view of this situation, the Agency may desire to consider proposing modification of this Section or seeking exemption from its provisions.
3. Section 6(a)(3) refers to the State where the Federal agency initially acquired possession of the property. No provision is made with respect to property initially acquired overseas.
4. It is believed a monetary limitation to exempt property with a value of less than \$100 would result in more economical administration.
5. A question is raised as to the motivations which prompted the introduction of this Bill. In the absence of an indication of the factors which caused it to be introduced at this particular time, some question might be raised by the Agency as to the need for such legislation.

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TAS/ELM/mla (25 July 1958)  
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1 - TAS Reading

**E. R. SAUNDERS**  
Comptroller

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**SECRET**

**CONFIDENTIAL**

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Legislative Counsel

Comptroller

H. R. 8002

1. A review of our files does not disclose a prior written report on this bill, although it is believed that a verbal report was given on it last summer.

2. The bill as now being considered in the Senate involves the continuation of the present methods of control (appropriations on an obligation basis) and, in addition, the establishment of a limitation on an accrued expenditure basis. The accrued expenditure limitation would limit during a fiscal year the amount of goods and services and other assets received, advance payments made, and progress payments which become due, or the accrual of any other liabilities; thus the accrued expenditure controls which would be required are completely independent and also completely duplicatory of the controls which, by law, are required on an obligation basis.

3. The bill as it is now under consideration in the Senate is an amendment of a bill previously supported by the Bureau of the Budget, the General Accounting Office, and the Treasury Department. It was, however, completely amended on the floor of the House, and extensive discussions on how the bill would be administered if passed in its present form have not been held. Further, from discussions with a representative of the General Accounting Office, it is understood that some very difficult problems would have to be resolved but that no specific ideas as to the method of solving these problems have been developed.

4. If the present bill was passed, a complete set of limitation accounts on accrued expenditures would be required in addition to the current allotment accounts which are designed to control the obligation of funds. In addition, a large number of completely new problems would be faced in establishing effective controls on such limitation accounts. This could involve problems of scheduling deliveries of goods and services under contracts, scheduling work to be performed under Research and Development contracts as to fiscal years, and the solution of the wide variety of similar problems where the execution of a particular action rests not with a Government official but rather with individuals and firms with whom the Government does business. It should be noted that the problems encountered in this Agency would be much more acute than in other agencies, due to the fact that

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SUBJECT: H. R. 8002

5. It is understood that this bill is now being considered by the Senate Appropriations Committee. It is also understood that there is considerable opposition to this bill by the Committee. Present estimates are that the bill will probably not be acted upon in this session, although this is merely an estimate of the present situation. It is recommended, therefore, that this Agency not take a formal position and not request the privilege of testifying on the bill. It is, however, strongly recommended that arrangements be made, if possible, to discuss the bill with the Clerk of the Committee or with the Chairman informally to outline the operational problems which we envisage should the bill be passed and become law.


  
E. R. SAUNDERS

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BD/COMP/CNM/har (11 July 1958)

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2 - Budget Division



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LEGISLATION - PROPOSED  
To Amend CIA Act of 1949

Dec. 1954  
to  
Dec. 1956

for correspondence and related data applicable to

Amendments to CIA Act of 1949

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